

# '84 'gold rush' jacks up prices of \$20 pieces

By Roger Boye

**A** two-month buying binge has jacked up prices for old U.S. gold coins, especially \$20 pieces minted early this century.

The surge in demand—described by one Chicago dealer as “the gold rush of 1984” has affected the value of Saint-Gaudens \$20 gold pieces in particular. For several years, each common-date specimen in “typical uncirculated condition” has sold for the coin’s one-ounce gold value plus about a 40 percent premium.

By mid-March, with gold going for about \$400 an ounce, some Saint-Gaudens in “typical uncirculated” were retailing for at least \$900 each. That 125 percent premium over “gold value” is a modern-day record for the common-date \$20 gold pieces, according to a local investor who has tracked price movements.

The coin, minted from 1907 to 1933 and named after its designer, Augustus Saint-Gaudens, may be the most beautiful of all U.S. coins. It depicts Miss Liberty in full stride and an eagle in flight.

But it's not the elegance that entrances buyers. Experts suggest that part of the demand is from investors who decided to purchase old U.S. gold pieces rather than “bullion coins” in an attempt to avoid the tax collector.

Under proposed government policy, coin dealers would have to report to the Internal Revenue Service the purchase of “bullion coins” such as the South African Krugerrand, which sell for just a few dollars over their gold value. “Collectibles”—coins priced at least 15 percent over their metal content—would be exempted from the reporting rules.

Also, investors may be buying the \$20 gold because they mistakenly believe Uncle Sam will outlaw Krugerrands. A bill in Congress merely would ban the importation of Krugerrands without affecting coins already in the country.

Whatever the reasons, some dealers are warning that the high premiums are bound to drop when market conditions return to normal. This fad, too, will pass, they say.

● Uncle Sam is boosting production of currency this year in an attempt to meet burgeoning demands from automatic-teller and change-making machines.

The government will print about 5.9 billion bills in the 1984 fiscal year, almost 30 percent more than last year and a 48 percent increase from 1982.

Meanwhile, banks soon will release into circulation \$1 bills of series 1981A bearing the signature of Katherine Davalos Ortega, the new U.S. treasurer who took office last October. Under current policy, a new letter after the series year indicates that the signature of either the treasurer or secretary of the Treasury has changed.